

**IN THE STATE OF MISSISSIPPI  
BEFORE THE MISSISSIPPI REAL ESTATE COMMISSION**

**MISSISSIPPI REAL ESTATE COMMISSION**

**COMPLAINANT**

**VS.**

**NO. 023-1804**

**LAMESHIA EDWARDS, BROKER  
ERICA JOHNSON, SALESPERSON**

**RESPONDENTS**

**AGREED ORDER**

This cause came before the Mississippi Real Estate Commission, sometimes hereinafter "Commission," pursuant to the authority of Miss. Code Ann. §§73-35-1, *et seq.*, as amended, on a Complaint against Lameshia Edwards, Broker, and Erica Johnson, Salesperson, and the Commission, was advised that there has been an agreement reached among the parties resolving the issues brought forward in this complaint. By entering into this Agreed Order, the Respondents waive their right to a full hearing and their right to appeal to the circuit court. The Commission, then, does hereby FIND AND ORDER the following:

**I.**

Respondent Lameshia Edwards, sometimes hereinafter "Respondent Edwards" is an adult resident citizen of MS whose last known address of record with the Commission is 105 Ashbrooke Blvd., Madison, MS. Respondent Edwards holds of a real estate broker's license issued by the Commission pursuant to Miss. Code Ann. §§73-35-1, *et seq.*, and, as such, she is subject to the provisions, rules, regulations and statutes governing the sale and transfer of real estate and licensing of real estate brokers under Miss. law. Respondent Edwards is the responsible broker for Community First Real Estate, LLC and was the broker for Respondent Erica Johnson.

## **II.**

Respondent Erica Johnson, sometimes hereinafter "Respondent Johnson," is an adult resident citizen of Mississippi, whose last known address of record with the Commission is 195 Winchester, Byram, MS. Respondent Johnson is the holder of a real estate salesperson's license issued by the Commission pursuant to Miss. Code Ann. §§73-35-1, *et seq.*, as amended and, as such, she is subject to the provisions, rules, regulations and statutes governing the sale and transfer of real estate and licensing of real estate brokers under Mississippi law.

## **III.**

The Commission received a sworn complaint from Willie Shannon, sometimes hereinafter called "Shannon." Shannon complained to the Commission following a failed transaction for his rent-to-purchase of a home located at 3521 Wheatly St., Jackson, MS. The Commission opened its investigation of the matter. Respondent Johnson was the seller's agent for the owner, Kindale Johnson, the mother-in-law of Respondent Johnson. Shannon is an uncle to Respondent Johnson. Respondent Johnson listed this home on MLS and reached out to Shannon, informing him that this home was available. Shannon didn't have the \$35,000 selling price amount readily available and inquired about renting this property until he qualified for a mortgage. This offer was accepted by the owner, with a one-year deadline for Shannon to arrange financing. At this point, no required WWREB forms were on file at the brokerage firm, executed between Johnson and the prospective purchaser, Shannon, or with the owner of this property.

#### IV.

Respondent Johnson claimed that her mother-in-law decided to deflect this transaction (and the commission that would have been generated) from the brokerage firm and handle this rent-to-own deal herself. A form rental agreement from Office Depot was executed. Shannon provided Respondent Johnson a \$3404.00 cashier's check, consisting of \$1404.00 in rent and \$2000.00 for, according to Shannon, partial payment toward purchase, but according to Respondent Johnson, a *non-refundable* rental "deposit".

#### V.

Respondent Edwards took notice of the MLS listing and, on Sept. 21, 2015 inquired of Respondent Johnson the status of the property. Upon learning from Respondent Johnson that this sale possibility was deflected and converted to a rent by owner situation, Respondent Johnson was instructed by Respondent Edwards to revert this transaction to the brokerage firm. Shannon signed a brokerage lease agreement and, importantly, a WWREB form. All forms were backdated to mid-August, however, per Respondent Edward's instructions.

#### VI.

Shannon wanted reimbursement for his \$2,000 spent for repairs and/or upgrades he made to the subject property while living there. Upon learning this, Respondent Edwards directed Respondent Johnson to bring in what documents weren't on file for this transaction and to document it properly through her brokerage firm. Respondent Edwards never required Respondent Johnson to properly account for or produce the \$2,000 deposit into the brokerage escrow account.

## VII.

Ultimately, it was learned that Respondent Johnson had failed to properly execute the required documents timely or account for the money provided her by Shannon. Further, Respondent Edwards failed to properly supervise Respondent Johnson as evidenced by Respondent Edwards instructing Respondent Johnson to “backdate all documents” and have all rental payments go through Respondent Johnson, as opposed to going through the brokerage firm, and not accounting for the \$2,000.00 “deposit”.

## VIII.

The above and foregoing described acts and omissions of the Respondents constitute violations of the Mississippi Real Estate Brokers License Act of 1954, as amended, §§73- 35-1, *et seq.*, Miss. Code Ann., and the Rules and Regulations of the Commission, and, more specifically, §73-35-21(1)(f) and (n) and Commission Rules 3.1A, 3.4A, and 3.4D which provide, in relevant parts:

**§73-35-21(1)(f)** Failing, within a reasonable time, to account for or to remit any monies coming into his possession which belong to others... Every responsible broker... shall deposit, within a reasonable period of time, the sum or sums so received in a trust or escrow account in a bank or trust company pending the consummation or termination of the transaction. “Reasonable time” in this context means by the close of business of the next banking day;

**§73-35-21(1)(n)** Any act or conduct, whether of the same or a different character than hereinabove specified, which constitutes or demonstrates...incompetency... or improper dealing...

**Rule 3.1A** It shall be the duty of the responsible broker to instruct the licensees licensed under that broker in the fundamentals of real estate practice, ethics of the profession and the Mississippi Real Estate License Law and to exercise supervision of their real estate activities for which a license is required.

**Rule 3.4A** The responsible broker is responsible at all times for earnest money deposits. Earnest money accepted by the broker or any licensee for which the broker is responsible and upon acceptance of a mutually agreeable contract is required to deposit the money into a trust account prior to the close of business of the next banking day. The responsible broker is required to promptly account for and remit the full amount of the deposit or earnest money at the consummation or termination of the transaction. A licensee is required to pay over to the responsible broker all deposits and earnest money immediately upon receipt thereof. Earnest money must be returned promptly when the purchaser is rightfully entitled to same allowing reasonable time for clearance of the earnest money check. In the event of uncertainty as to the proper disposition of earnest money, the broker may turn earnest money over to a court of law for disposition. Failure to comply with this regulation shall constitute grounds for revocation or suspension of license.

**Rule 3.2 Documents**

- A. A real estate licensee shall immediately (at the time of signing) deliver a true and correct copy of any instrument to any party or parties executing the same.
- E. Every real estate contact must reflect whom the broker represents by a statement over the signatures of the parties to the contract.
- G. A real estate broker must keep on file for three years following its consummation, complete records relating to any real estate transaction. This includes, but is not limited to: listings, options, leases, offers to purchase, contracts of sale, escrow records, agency agreements and copies of all closing statements.

#### **Rule 4.1 Purpose**

Consumers shall be fully informed of the agency relationships in real estate transactions identified in Section 73-35-3. This rule places specific requirements on Brokers to disclose their agency relationship. This does not abrogate the laws of agency as recognized under common law and compliance with the prescribed disclosures will not always guarantee that a Broker has fulfilled all of his responsibilities under the common law of agency. Compliance will be necessary in order to protect licensees from impositions of sanctions against their license by the Mississippi Real Estate Commission. Special situations, where unusual facts exist or where one or more parties involved are especially vulnerable, could require additional disclosures not contemplated by this rule. In such cases, Brokers should seek legal advice prior to entering into an agency relationship.

G. The terms of the agency relationship shall be ratified on all contracts pertaining to real estate transactions.

#### **Rule 4.2 Definitions**

A. "Agency" shall mean the relationship created when one person, the Principal (client), delegates to another, the agent, the right to act on his behalf in a real estate transaction and to exercise some degree of discretion while so acting. Agency may be entered into by expressed agreement, implied through the actions of the agent and or ratified after the fact by the principal accepting the benefits of an agent's previously unauthorized act. An agency gives rise to a fiduciary relationship and imposes on the agent, as the fiduciary of the principal, certain duties, obligations, and high standards of good faith and loyalty.

C. "Client" shall mean the person to whom the agent owes a fiduciary duty. It can be a seller, buyer, landlord, tenant or both.

D. "Compensation" is that fee paid to a broker for the rendering of services. Compensation, when considered alone, is not the determining factor in an agency relationship. The relationship can be created regardless of whether the seller pays the fee, the buyer pays the fee, both pay the fee or neither pays a fee.

E. "Customer" shall mean that person not represented in a real estate transaction. It may be the buyer, seller, landlord or tenant.

G. "Fiduciary Responsibilities" are those duties due the principal (client) in a real estate transaction are:

- (1) 'Loyalty' - the agent must put the interests of the principal above the interests of the agent or any third party.
- (2) 'Obedience' - the agent agrees to obey any lawful instruction from the principal in the execution of the transaction that is the subject of the agency.
- (3) 'Disclosure' - the agent must disclose to the principal any information the agent becomes aware of in connection with the agency.
- (4) 'Confidentiality' - the agent must keep private information provided by the principal and information which would give a customer an advantage over the principal strictly confidential, unless the agent has the principal's permission to disclose the information. This duty lives on after the agency relationship is terminated.
- (5) 'Reasonable skill, care and diligence' - the agent must perform all duties with the care and diligence which may be reasonably expected of someone undertaking such duties.
- (6) 'Full accounting' - the agent must provide a full accounting of any money or goods coming into the agent's possession which belong to the principal or other parties.

H. "First Substantive Meeting" shall be:

- (1) In a real estate transaction in which the Broker is the agent for the seller, first substantive meeting shall be before or just immediately prior to the first of any of the following:
  - (a) Showing the property to a prospective buyer.
  - (b) Eliciting confidential information from a buyer concerning the buyers' real estate needs, motivation, or financial qualifications.
  - (c) The execution of any agreements governed by M.C.A. §73-35-3.

#### **Rule 4.3 Disclosure Requirements**

B. In a single agency, a real estate broker is required to disclose, in writing, to the party for whom the broker is not an agent, that the broker is an agent of another party in the transaction. The written disclosure shall be made at the time of the first substantive meeting with the party for whom the broker is not an agent. This shall be on an MREC Agency Disclosure Form.

- C. In the event the agency relationship changes between the parties to a real estate transaction, new disclosure forms will be acknowledged by all parties involved.
- G. The terms of the agency relationship shall be ratified on all contracts pertaining to real estate transactions.
- I. Completed Agency Disclosure Forms shall be maintained in accordance with Rules and Regulations IV. B (6). Source: Miss. Code Ann. §§ 73-35-3

### **DISCIPLINARY ORDER**

THEREFORE, by agreement, understanding and consent, the Commission ORDERS discipline to begin April 01, 2019, as follows:

As to LaMeshia Edwards, Broker, the Commission orders that her license incur a one (1) month suspension, held in abeyance, and followed by five (5) months of probation; contingent upon both future compliance with all Mississippi Real Estate Statutes and Commission Rules and also contingent upon her completing eight (8) hours of Mandatory Continuing Education (4 hours of Agency, 2 hours of Contract law and 2 hours of License Law) during the month of April of 2019. Said education can only be completed in a classroom setting and will not be the same classes from the same provider as those used by this Respondent in her last renewal period. Further, these classes will be courses approved by this Commission and be in addition to the regular hours of continuing education already required of licensees for license renewal. Evidence of completion of these classes is to be provided to this Commission upon completion.



As to Erica Johnson, Salesperson, the Commission orders that her license incur a one (1) month full suspension and be followed by five (5) months of probation; contingent upon both future compliance with all Mississippi Real Estate Statutes and Commission Rules and also contingent upon her completing eight (8) hours of Mandatory Continuing Education (4 hours of Agency, 2 hours of Contract law and 2 hours of License Law) during April of 2019. Said education can be completed only in a classroom setting and will not be the same classes from the same provider as those used by this Respondent in the last renewal period. Further, these classes will be courses approved by this Commission and be in addition to the regular hours of continuing education already required of licensees. Evidence of completion of these classes is to be provided to this Commission upon completion.

So Ordered, this the 20<sup>th</sup> day of MARCH, 2019.

**MISSISSIPPI REAL ESTATE COMMISSION**



BY: \_\_\_\_\_

Robert E. Praytor  
**ROBERT E. PRAYTOR, Administrator**

AGREED: \_\_\_\_\_

Lameshia Edwards  
**LAMESHIA EDWARDS, BROKER**

DATE: 3/14/19

AGREED: \_\_\_\_\_

Erica Johnson  
**ERICA JOHNSON, SALESPERSON**

DATE: 3/19/19